



MEMORANDUM

To: The Senate Committee on Agriculture

From: Liz Gleason, VHCB Farm and Forest Viability Program Director | liz@vhcb.org

Date: April 24, 2026

Re: Expanding Access to VHCB's Rural Economic Development Initiative Program

The Rural Economic Development Initiative is a high impact program where a modest investment of \$1,270,477 in state resources has helped to bring \$35,512,800 in mostly federal dollars to working lands businesses and community projects around the state. The program, administered by the Vermont Housing and Conservation Board, provides grant writing support to working lands businesses and community development projects seeking federal funds.

Working lands businesses located in communities larger than 5,000 have come to VHCB seeking assistance through REDI. Because the authorizing statute seeks to direct REDI to rural communities by limiting eligible communities to those under 5,000, REDI has had to turn away agricultural businesses because they are located in larger communities.

We ask the committee to consider including the following language in S.323 to ensure that businesses and communities around the state can advance projects with REDI support. By providing the program flexibility to support "Community Development Initiatives" in addition to its existing eligible projects, this language will ensure that agricultural businesses and some community projects located in larger communities can still access this valuable resource.

Proposed language for inclusion in S.323

10 V.S.A. Chapter 15

Subchapter 4: RURAL ECONOMIC DEVELOPMENT INITIATIVE

§ 325m. Rural Economic Development Initiative

(a) Definitions. As used in this subchapter:

- (1) "Rural area" means a county of the State designated as "rural" or "mostly rural" by the U.S. Census Bureau in its most recent decennial census.
- (2) "Small town" means a town in the State with a population of less than 5,000 at the date of the most recent U.S. Census Bureau decennial census.



(3) “Community Development Initiatives” means projects located throughout the State that support agriculture, historic preservation, outdoor recreation and other critical economic development needs, to be supported when State resources or staffing assistance are not available.

(b) Establishment. There is created the Rural Economic Development Initiative to be administered by the Vermont Housing and Conservation Board for the purpose of promoting and facilitating community economic development in the small towns and rural areas of the State, **as well as supporting Community Development Initiatives as defined above.** The Rural Economic Development Initiative shall collaborate with municipalities, businesses, regional development corporations, regional planning commissions, and other appropriate entities to access funding and other assistance available to small towns and businesses in rural areas of the State when existing State resources or staffing assistance is not available.

(c) Services; access to funding. The Rural Economic Development Initiative shall provide the following services to small towns and businesses in rural areas:

- (1) identification of grant or other funding opportunities that facilitate business development, infrastructure development, or other economic development opportunities;
- (2) technical assistance in writing grants, accessing other funding, coordination with providers of grants or other funding, strategic planning for the implementation or timing of activities funded by grants or other funding, and compliance with the requirements of grant awards or awards of other funding.

(d) Priority. In providing services under this section, the Rural Economic Development Initiative shall give first priority to projects that have received necessary State or municipal approval and that are ready for construction or implementation.

(e) Priority projects. The Rural Economic Development Initiative shall seek to assist the following priority types of projects:

- (1) milk plants, milk handlers, or dairy products, as those terms are defined in 6 V.S.A. § 2672;
- (2) outdoor recreation and equipment enterprises;
- (3) value-added food and forest products enterprises;
- (4) farm operations, including phosphorus removal technology for farm operations;
- (5) coworking or business generator and accelerator spaces;
- (6) commercial composting facilities; and
- (7) restoration and rehabilitation of historic buildings in community centers.



(f) Coordination. In providing services under this section, the Rural Economic Development Initiative shall coordinate with the Secretary of Commerce and Community Development, regional development corporations, and regional planning commissions.

(g) Report. Beginning on January 31, 2019, and annually thereafter, the Rural Economic Development Initiative shall submit to the Senate Committees on Agriculture and on Economic Development, Housing and General Affairs and the House Committees on Agriculture and Forestry and on Commerce and Economic Development a report regarding the activities and progress of the Initiative as part of the report of the Vermont Farm and Forest Viability Program. The report shall summarize the Initiative's activities in the preceding year; evaluate the effectiveness of the services provided by the Initiative; provide an accounting of the grants or other funding that the Initiative facilitated or helped secure; and recommend any changes to the program to further economic development in small towns and rural areas of the State. (Added 2017, No. 77, § 1; amended 2017, No. 77, § 12; 2017, No. 194 (Adj. Sess.), § 1.)

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